

UNITED STATES of AMERICA

DEPARTMENT of THE INTERIOR

MINERALS MANAGEMENT SERVICE

Public Scoping Meeting on
Outer Continental Shelf
Renewable Energy and Alternative
Use Programmatic EIS

Thursday, June 8, 2006

ORLANDO, FLORIDA

PANEL:

MARK ROUSE
Minerals Management Services

MARY BOATMAN
Minerals Management Services

CHARLES SMITH
Minerals Management Services

JOHN GASPER - Facilitator
Argonne Lab

Commentors:

WEEZIE ROBERTSON
FPL Energy

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SCOPING COMMENTS

MS. GASPER: And next I'm going to turn it over to you folks because this is your part of the program. This is when we actually do the actual -- the scoping, the scoping exercise.

But before we get into that aspect of it I would like to take a couple of minutes just to talk a little bit about the opportunities that are going to be during this whole development of the program FDIS where the public have input into the process.

The first opportunity is right now, strict public scoping. That process started on the 5th of May and it will run until July 5th. During that time we're interested in getting comments from any interested party on what sort of analysis should be incorporated into the program FDIS, what sort of technologies we should be looking at, what are the issues that need to be addressed.

We're going to be taking that information, doing some impact analyses in developing a draft environmental -- programmatic environmental impact statement that's scheduled to be finalized in February of 2007.

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1 As soon as that occurs there will be
2 another probably 60-day comment period when the
3 public will be able to come back. We'll be holding
4 hearings similar to this around the country again.
5 And either at those hearings or through a couple of
6 the other venues the public will be able to comment
7 on the draft, whether we covered the issue
8 sufficiently, whether there's areas that need to be
9 addressed further where there's something that
10 wasn't included that needs to be.

11 In order to facilitate that development
12 -- or that process we've developed a website. And
13 this is the URL for it right here. It's also in
14 the materials that you picked up on your way in.
15 And I'd encourage you to go and view that website.
16 There's a lot of background information there just
17 on the technologies that you heard explained here
18 today,
19 also in the process of developing the EIS, the
20 scheduled EIS, that kind of information.

21 Also, during the process of developing
22 the EIS any draft documents or related information
23 that's developed will be put on that website.

24 For example, the presentations you see
25 tonight are all on the website currently.

26 There's also a comment form on that

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1 website. So if you decide not to comment tonight
2 for whatever reason but want to do that later,
3 there's a comment form right on the website. You
4 can do all that commenting electronically.

5 And there's also an opportunity to sign
6 up for our e-mail notification list. And we
7 promise we won't be spamming you every two or three
8 hours about the EIS and related processes. But
9 when there's an important development, like when
10 the draft EIS is available, we'll send you an e-
11 mail about that.

12 So we've been talking a lot about these
13 comments. There's three basic ways for how to make
14 sure the comments get inserted into the process.

15 The first is the project website. We
16 spent some time talking about that. The others,
17 just use regular mail. That all still works. And
18 if you have written comments you want to send in to
19 us, that's one way of doing it.

20 The third way is coming to the scoping
21 meetings and presenting the comments in person. But
22 you already know about that. That's why you're
23 here.

24 But if you do have any kind of written
25 materials or additional information that you might
26 want to pass on to us tonight, just feel free to

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1 come talk to anybody who has a name tag and we'll
2 make sure that that information gets inserted into
3 the scoping process.

4 When you do comment tonight, we ask
5 that you have signed up the registration table.
6 And what we'll do is, we'll handle any comments in
7 the order that people registered.

8 After all those comments are made, if
9 someone else wants to make a comment, we'll provide
10 that opportunity, too.

11 What we'd like to have you do is to
12 come up to the podium, state your name and if
13 you're representing any organization, and then go
14 ahead and make your comments. Normally we'd limit
15 those to three minutes per person, but since we
16 don't have an overflow crowd here tonight, I think
17 you can probably comment for as long as you want to
18 comment.

19 And again, if you have any other
20 written materials or other information, please feel
21 free to leave that with us tonight.

22 Also, I'd like to note that all of the
23 scoping comments are going to be recorded by the
24 court reporter and that information will be
25 available on the website in a couple, three weeks.

26 So, if there aren't any questions, then

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1 we can start the actual scoping process. And I'd
2 like to call the first commentor, Weezie Roberson,
3 of Florida Power and Light Energy.

4 WEEZIE ROBERSON: Hi. My name is
5 Weezie Roberson and I'm speaking tonight on behalf
6 of FPL Energy.

7 As Charles mentioned FPL Energy is the
8 developer of a proposed 140 megawatt project, wind
9 project to be located on the Outer Continental
10 Shelf just south of Long Island, New York. That
11 project is being developed in cooperation with the
12 Long Island Power Authority.

13 FPL is also interested in renewable
14 energy opportunities of current power from the
15 adjacent Gulfstream resource.

16 When Section 388 was enacted the
17 president of FPL Energy asked me whether or not I
18 thought Section 388 was going to be good for
19 offshore wind development and other alternative
20 energy resources or whether it was going to be bad
21 for the industry. I responded to him that I felt
22 Section 388 would be a very positive thing for the
23 industry provided that we could develop rules that
24 would help to implement Section 388.

25 I explained to him that prior to
26 Section 388 being enacted there were no clear legal

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1 mechanisms for granting property rights to
2 developers on the Outer Continental Shelf for
3 alternative energy resources. And that if we were
4 going to invest hundreds of millions of dollars in
5 projects, then we probably wanted to have property
6 rights, particularly if we were going to be
7 financing these projects.

8 However, I also pointed out to him what
9 I believe to be two of the biggest risks associated
10 with Section 388 and that was the uncertainty with
11 regard to the price that the developers would have
12 to pay for these rights, and also how long it would
13 take to obtain these rights.

14 Today we still at FPL Energy believe
15 that price and schedule are two of the biggest
16 unknowns with regard to Section 388.

17 With regard to price, we encourage MMS
18 to keep in mind that the economics of OCS renewable
19 energy development will not now and may not ever be
20 able to tolerate the imposition of high royalty
21 fees.

22 Electricity is sold into a very
23 different and much less robust market than oil,
24 gas, and other OCS resources.

25 Also, MMS should keep in mind that
26 Congress enacted the production tax credit in order

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1 to incentivise developers to develop renewable
2 energy projects. It wouldn't make a lot of sense
3 for the government to give an incentive with one
4 hand and to take it away with another.

5 With regard to schedule, MMS should
6 develop timely leasing and permitting schedules for
7 legal compliance. Application forms and procedures
8 should not be overly burdensome and should offer as
9 much predictability as possible to the applicant,
10 including a clear schedule for processing and
11 decision making.

12 I'd also like to add that we've had a
13 very positive experience so far working with MMS
14 staff. We believe MMS is facing an enormous task
15 and we believe that they are very eager and capable
16 of implementing a successful program.

17 We encourage MMS to carefully develop
18 regulations that will protect the public interest
19 and environmental quality and safety without
20 imposing unwarranted burdens on the emerging
21 offshore alternate energy industry.

22 We have also submitted written comments
23 to the advance notice of proposed rule making. And
24 I have a few copies with me if anyone's interested
25 in receiving a copy of those.

26 Thank you.

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1 MR. GASPER: Thank you.

2 Well, there was only one registered
3 commentor, so at this point I'd ask if anybody else
4 would care to make a comment.

5 (No response)

6 MR. GASPER: Since there's no other
7 comments forthcoming, I guess we should note that
8 the meeting, scoping meeting can close at 10
9 minutes to seven.

10 (Off the record.)

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